

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

GREEN RIVER ELECTRIC CORPORATION)	
TARIFF FILING FOR A TEMPORARY RATE)	
TO ACCOMMODATE A PILOT PROGRAM)	CASE NO. 93-313
FOR ELECTRICAL THERMAL STORAGE)	

O R D E R

On August 9, 1993, Green River Electric Corporation ("Green River") filed a proposed addition to its tariff to establish a rate to accommodate a pilot program for electric thermal storage ("ETS"). Green River proposed that the tariff become effective on and after October 1, 1993. The Commission found that further proceedings were necessary to determine the reasonableness of this tariff and suspended the rates until February 28, 1994. ETS is a technology that allows heat to be stored in one time period and used in another. Specifically, the ETS device can be controlled by the utility to store heat at night during off-peak hours and to discharge heat as needed with no contribution to on-peak load.

Green River proposes to offer the ETS rate as a test for three heating seasons ending on June 1, 1997. They project having three customers initially with a maximum number of 25. Green River envisions ETS as a replacement for alternative heating methods, especially woodburning stoves. A customer survey was used to identify potential customers for the ETS rates. Green River proposed to fund the ETS installation, which is estimated to cost \$1,500.00 each. The monthly kwh rate would be 60 percent of the

last step of residential rates, a pricing formula the Commission has previously approved for ETS rates. The ETS contribution to off-peak load would also contribute to the overall strategy of Big River Electric Corporation's ("Big Rivers") Integrated Resource Plan.

An ETS tariff has previously been approved by the Commission for several rural electric cooperatives. The Commission is concerned that Green River's test of the ETS tariff be properly documented and evaluated. To that end, the Commission finds that Green River should annually file a report showing the number of customers using the ETS tariff, funds expended on the program, any available usage data, and any unusual findings. The same criteria should be used to file a final report after the program's conclusion.

IT IS THEREFORE ORDERED that:

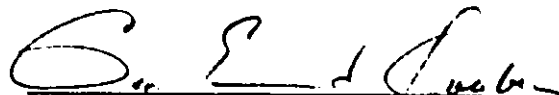
1. The pilot ETS program proposed by Green River is approved.


2. Green River shall file an annual report showing the number of customers using the ETS tariff, funds expended on the program, any available usage data, and any unusual problems encountered. The reports are due one year from the date of this Order and each succeeding year thereafter.

3. Green River shall file a final report at the end of the test summarizing the test results in the same format as the annual reports.

Done at Frankfort, Kentucky, this 15th day of December, 1993.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director